The opinion in support of the decision being entered today was <u>not</u> written for publication and is <u>not</u> binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS
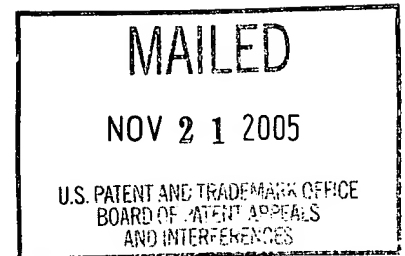AND INTERFERENCES

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<u>Ex parte</u> WAYNE MARINER KENNARD

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Appeal No. 2005-2715
Application No. 09/721,869

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ON BRIEF

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Before KRASS, RUGGIERO and LEVY, <u>Administrative Patent Judges</u>.

KRASS, <u>Administrative Patent Judge</u>.

<u>Decision On Appeal</u>

This is a decision on appeal from the final rejection of claims 1-10.

The invention pertains to the redeeming of mileage awards by award program participants. In particular, mileage awards are redeemed when the accumulated award mile total is less than the required number of award miles necessary to redeem a set or posted award.

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Representative independent claim 1 is reproduced as follows:

1. A computer-based method for maximizing redemption award units in an award program, the method for implementation in a system that includes at least a central processing unit ("CPU"), an input/display device under at least partial CPU control, and a storage device at least under partial CPU control, the method comprising the steps of:

(a) storing in the storage device at least one predetermined award unit level for which the award program will issue an award program participant an award;

(b) storing in the storage device a shortfall percentage;

(c) each award program participant being permitted to accumulate a number of award units earned by performing acts under the award program for which predetermined numbers of award units will be awarded;

(d) inputting with the input/display device into the system the number of award units accumulated at step (c) for each award program participant;

(e) storing separately in the storage device for each of the award program participants the number of accumulated award units input at step (d);

(f) redeeming an award program award including the substeps of,

(1) retrieving from the storage device a predetermined award unit level for which a participant may redeem accumulated award units to receive a particular award;

(2) retrieving from the storage device the accumulated award unit total for an award program participant requesting to redeem an award according to the predetermined award unit level stored in the storage device at step (a);

(3) comparing under CPU control the retrieved predetermined award unit level with the retrieved accumulated award unit total for an award program participant requesting to

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redeem the award, and determining if the retrieved accumulated award unit total is less than the retrieved predetermined award unit level, and if retrieved accumulated award unit total is less than retrieved predetermined award unit level go to substep (f)(4);

(4) determining under CPU control if the retrieved accumulated award unit total is equal to, or greater than the shortfall percentage multiplied by the retrieved predetermined award unit level, and if retrieved accumulated award unit to is equal to, or greater than, the product of the retrieved accumulated award unit total multiplied by the predetermined award unit level go to step (f)(6);

(6) determine under CPU control a number of award units that the retrieved accumulated award unit total is less than the predetermined award unit level;

(7) under CPU control multiplying the number of award units that the retrieved accumulated award unit total is less than the predetermined award unit level by a multiplication factor and determining a monetary amount; and

(8) redeeming an award based on a redemption of the retrieved accumulated award unit total with the monetary amount determined a substep (f)(7).[1]

The examiner relies on the following reference:

Anderson et al. (Anderson)   US 2002/0065723   May 30, 2002

Claims 1-10 stand rejected under 35 U.S.C. § 103 as unpatentable over Anderson.

Reference is made to the briefs and answer for the respective positions of appellant and the examiner.

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[1] We note that there does not appear to be a step "(5)" in the claim.

OPINION

In rejecting claims under 35 U.S.C. § 103, the examiner bears the initial burden of presenting a <u>prima facie</u> case of obviousness. See <u>In re Rijckaert</u>, 9 F.3d 1531, 1532, 28 USPQ2d 1955, 1956 (Fed. Cir. 1993). To reach a conclusion of obviousness under §103, the examiner must produce a factual basis supported by a teaching in a prior art reference or shown to be common knowledge of unquestionable demonstration. Our reviewing court requires this evidence in order to establish a <u>prima facie</u> case. <u>In re Piasecki</u>, 745 F.2d 1468, 1471-72, 223 USPQ 785, 787-88 (Fed. Cir. 1984). The examiner may satisfy his/her burden only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead the individual to combine the relevant teachings of the references. <u>In re Fine</u>, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988).

It is the examiner's position that Anderson teaches the claimed subject matter but for "a shortfall percentage," but the examiner concludes that it would have been obvious "to add to the teachings of Anderson...that the shortfall amount be expressed, stored and displayed as a shortfall percentage" (answer-page 4)

because "percentages are a common and convenient means for

summarizing criteria" (answer-page 4).

We will not sustain the rejection of claims 1-10 under

35 U.S.C. § 103 because, in our view, the examiner has not

established the requisite prima facie case of obviousness.

It is clear, from our review thereof, that Anderson is

concerned with providing rewards to customers based on certain

events, that a maximizer not only correlates what points a user

has in a rewards program with the rewards each program has, and

displays the rewards that can be earned when reaching an

appropriate level of points, but the maximizer can convey to the

user which items the user is "close" to being able to purchase by

redeeming points (see paragraph 0027). It is also true that

Anderson discloses, in paragraphs 0053 and 0054, that a

conversion can be made, converting certain point types to other

point types.

However, we find no disclosure or suggestion within the four

corners of Anderson which indicates that any shortfall

"percentage" is stored and that this shortfall percentage is then

used to determine a monetary amount which can be paid in addition

to an accumulated amount of points in order to achieve a certain

award. We agree with appellant, at page 7 of the principal

brief, that "Anderson...just recognizes a shortfall and does nothing with the shortfall" whereas the "present invention recognizes a shortfall and then provides a novel system and method for effecting a way for the user to use accumulated miles and the <u>purchase</u> of additional miles according to a novel method so that the user is able to redeem an award from the benefits award program without having the required miles."

Merely because a "percentage" may be "a common and convenient means for summarizing criteria," this does not explain why the artisan would have modified anything in Anderson in order to provide for a shortfall "percentage" when none is disclosed, and then use this percentage value in determining a monetary amount a user may pay to earn an award he/she otherwise would not have been entitled to.

The examiner's decision rejecting claims 1-10 under

35 U.S.C. § 103 is reversed.
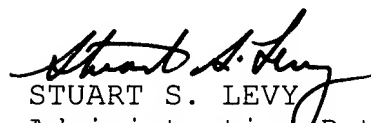
REVERSED

ERROL A. KRASS   )
Administrative Patent Judge   )
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) BOARD OF PATENT
JOSEPH F. RUGGIERO   )   APPEALS
Administrative Patent Judge   )   AND
) INTERFERENCES
)
)
)
STUART S. LEVY   )
Administrative Patent Judge   )

EK/rwk

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Application No. 09/721,869

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